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24 April 1968

MEMORANDUM

SUBJECT: Comments on Eastern European NSC Paper of
22 April 1968

1. The paper does not accurately reflect several important general aspects concerning current conditions in Eastern Europe.

- All the Eastern European countries doubt to one degree or another the credibility or reality of the "Bridge Building" policy.
- The paper does not indicate that Russian controls and concerns have eased to the point that the Eastern European countries are freer to deal with the West as independent entities seeking to serve their own interests.
- The paper underestimates the effect of the war in Vietnam and of US legislative restrictions on hindering the establishment of "Bridge Building" policies and frustrating the implementation of those which exist.

The following paragraphs set forth specific comments and observations about each country report in the paper, pointing to certain errors or providing additional data.

2. Czechoslovakia: Party boss Dubcek's coalition is among Communist party leaders, but has significant popular support. The Russians appear to have grudgingly accepted

Note: This memorandum was prepared by the Office of Current Intelligence and was coordinated with the Office of Economic Research, the Office of National Estimates, and the Clandestine Services.

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the changes in Prague. The new regime has made discreet approaches for US support.

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Czechoslovak military aid to Vietnam has been minor compared with the USSR's, but may include new automatic weapons, light artillery, and armored personnel carriers. We have never captured any of these items. In 1967 Czech economic aid to Vietnam amounted to about \$15 million. In discussing the Czech's new "action program" the NSC paper overstates the liberalization of the economy when it says the program calls for reforms "in the direction of a socialist market economy."

3. Poland: The regime's antisemitic purge campaign is affecting not only Jewish Stalinists but non-Jewish liberals and Stalinists as well as Catholics. Regime repression reflects the intensity of the power struggle going on between chauvinistic hardliners, and younger, more progressive technocrats. Party boss Gomulka has no certain future any longer as undisputed leader. He seems to have allied himself with the progressives, hoping to head off a popular explosion. The US still has great popular acceptance in Poland and most of our influential programs are still in effect.

4. Rumania: The description of the Rumanian regime as exerting "firm orthodox control" ignores the signs of cautious and controlled internal liberalization. The economic reform is designed to allow some freedom of action at local levels; police powers have been somewhat curtailed; intellectuals are being granted wider freedom of expression; and there is growing emphasis on the protection of the rights of individuals. A party plenum scheduled for 22-23 April is expected to take these progressive steps further. In approving the changes taking place in Czechoslovakia, the regime claims that a similar trend was set in motion in Rumania in 1965. The Rumanians are anxious for cultural and economic agreements with the US, and particularly in gaining most-favored-nation status.

5. Hungary: The Kadar regime is reacting defensively to changes in Czechoslovakia and Poland, and has clamped tight controls on the youth. Hungary had been

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seeking to establish its own foreign policy image, but is now downplaying this, fearing that changes now might be misread by the populace and the USSR. The regime has reiterated its interest in the gradual solution of bilateral problems with the US including that of Cardinal Mindszenty.

6. Bulgaria: Bulgaria can no longer be characterized as totally "orthodox" in its internal control. It would be more accurate to point out that the Bulgarian regime is no longer monolithic and is beginning to seek contacts outside the Soviet bloc.

7. Yugoslavia: It is misleading to say that Yugoslavia continues to "push aggressively the development of a free market economy." About all that can be said is that the central government is still relying on a complex of constantly changing indirect controls to run the economy in place of direct control over enterprises.

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